

KENTUCKY WORKFORCE INVESTMENT BOARD

November 29, 2005, Meeting #1 Minutes

10:00 a.m.

Conference Room A, 1024 Capital Center Drive
Frankfort, Kentucky

I. Call to Order

Mr. George Burkley, Chair, Kentucky Workforce Investment Board (KWIB), called the 10 a.m. meeting to order and requested that the roll be called.

Roll Call:

The following members were present: Ms. Sharon Bird, Senator Charlie Borders, Mr. George Burkley, Governor Martha Layne Collins, Secretary of State Trey Grayson, Mr. Don Doty, Deputy Commissioner Andrew Frauenthoffer, Ms. Kimberly Maffet, Mr. Todd Mills, Mr. Bill Parson, Mr. Ted Richardson, (Retired) General James Shane, Ms. Nancy Spivey, and Ms. Sue Tamme.

The following members were absent: Mayor Jerry Abramson, Representative Larry Clark, Judge/Executive Bill May, Dr. Michael McCall, Senator Vernie McGaha, Mr. Ken Oilschlager, and Mr. Russell Starkey.

Establishment of Quorum:

The quorum was met with 14 of 21 appointed members present.

Comments:

In his introductory comments, Mr. Burkley noted changes in board membership including four new members who had been sworn in at the previous meeting, appointment of other well-qualified prospective members expected by the new year, and the resignations of John Cary (effective November 2, 2005) and Todd Mills (not yet in effect).

Mr. Burkley noted a request from the P-16 Council for KWIB representation and stated that this would be addressed after all new members have been appointed. He encouraged board members to read the article included in the agenda packet entitled "Work Force Training is Critical for Expanding Companies" which placed Kentucky third in comparison to other states.

II. Action Items

Approval of Minutes:

The minutes of the April 26, 2005, KWIB meeting were approved as presented following a motion by Senator Borders, seconded by General Shane.

The minutes of the September 20, 2005, KWIB informational meeting were approved as corrected following a motion by Mr. Don Doty, seconded by Ms. Nancy Spivey. The following paragraph from the September 20, 2005, minutes was corrected by Deputy Commissioner Andrew Fraenhoffer as shown below:

Mr. Jeff Mosley, General Counsel of the Education Cabinet, presented background information regarding the rationale and process for giving responsibility for Perkins Act programs to the KWIB. Detailed information is provided in the agenda packet. In response to questions, Mr. Mosley noted that no additional action is required by the KWIB at this time *due to the lack of a quorum* because of action taken by the Executive Committee at its June 22 ~~20~~, 2005, meeting. *However, the actions of the Executive Committee regarding the Perkins program need to be ratified by the full board.*

First Reading of the Statement of Executive Authority and Rules of Procedure (Bylaws):

The first reading of the Statement of Executive Authority and Rules of Procedure (Bylaws) was introduced by Mr. Burkley. Elizabeth Hack highlighted the major changes to the bylaws which included the following:

- Responsibilities regarding the Perkins Act;
- The number of KWIB members returned to the number originally designated;
- Detailing of the KWIB Chairperson's responsibilities;
- Provision for proxies with stipulations including:
 - Advance designation;
 - Allowable at two (2) meetings per year (two board meetings, two committee meetings, or one board meeting and one committee meeting);
 - Designation for one (1) year at a time; and
 - Full voting authority by the proxy on behalf of the member represented; and
- Changes in the committee structure of the board.

Mr. Burkley noted that this constituted the first reading of the revised bylaws and called for any related discussion. There was none.

Perkins Act Responsibilities Plan:

Mr. Burkley summarized the background of the KWIB's role with the Perkins Act and the action of the Executive Committee. Mr. Emil Jezik, Executive Director, Office of Career and Technical Education, provided additional information about the Perkins Act and related activities.

Mr. Jezik stated that the purpose of the Perkins Act is to more fully develop the academic, vocational, and technical skills of secondary and postsecondary students who enroll in vocational and technical education programs by building on efforts of state and localities, promoting development services and activities that integrate academic and vocational technical instruction, link secondary and postsecondary technical education,

and provide services and activities designed to develop, implement, and improve vocational education.

He stated that Perkins, a federal act, provides federal dollars to help promote and support each state in carrying out its own vocational education programs and that state and matching funds also support Perkins programs. He reiterated the KWIB's responsibility for coordinating the development and submission of the State Plan; seeking input from the Governor, other agencies, teachers, parents, students, administrators, counselors, labor unions, business and industry representatives, and special-need students' representatives in developing the state plan; and meeting as the eligible agency at least four times each year.

Mr. Jezik noted that congressional reauthorization of the Perkins Act is expected in the next session; that Kentucky is now operating from a seven-year old state plan; and that following reauthorization, changes will be made and the KWIB will have an active role in approving the new state plan. He spoke of the difficulty in obtaining interim reports from participating institutions due to the process and reporting system that is geared to provide data at the end of the year. However, staff is fully engaged and is following performance measures and standards put in place seven years ago.

Ms. Sue Tamme raised questions regarding Kentucky's receipt of all funding possible, including matching funds.

Mr. Jezik responded that the Perkins Act programs are on track, but that adult education and WIA programs also influence the receipt of incentive funding. While Kentucky did not receive incentive funding in the previous year, it had received incentive funding for the three prior years.

Mr. Jezik reported that overall funding is not in jeopardy. Kentucky expects to receive \$20 million next year, with 51 percent designated for postsecondary career and technical education, and 49 percent designated for secondary career and technical education.

In response to other questions from Ms. Tamme and Mr. Burkley, Mr. Jezik responded that the amount of incentive funds available varies from year to year and that Kentucky had received as much as \$300,000. (Records show, however, that in previous years Kentucky has received as much as \$3 million.) Because of the difficulty in collecting data prior to the end of the year, Mr. Jezik stated that it may be necessary to penalize some institutions in order to impress on them the importance of submitting timely and accurate required data.

Governor Collins noted her appreciation for the new committee structure and the importance of the Awareness Committee in informing Kentuckians of the competition for business and industry, particularly competition from other countries such as China with its greater population and larger number of engineers.

The discussion continued with input from Todd Mills, Secretary of State Trey Grayson, and Deputy Commissioner Andy Fraenhoffer which led to the stated intention of submitting in the second KWIB meeting a formal motion emphasizing the importance of timely and accurate data reporting by all participating institutions and the intent of the KWIB to support the Office of Career and Technical Education in its efforts to ensure that all possible funding is realized. Mr. Jeff Mosley, General Counsel of the Education Cabinet, offered to assist in drafting appropriate language for the motion.

Mr. Mosley directed the attention of the KWIB to the motions (pp. 37-38 of the agenda book) submitted to and approved by the Executive Committee on June 22, 2005, regarding assumption of responsibilities for Perkins Act programs by the KWIB, noting the full board's role in ratifying the Executive Committee's decision.

Mr. Ted Richardson moved that the KWIB ratify the motions to assume responsibility for Perkins Act programs that had been approved by the Executive Committee. The motion was seconded by Ms. Tamme. There was no further discussion. The motion passed with no opposition.

Mr. Burkley reported that Emil Jezik will retire at the end of January 2006.

Labor Market Information (LMI) Report:

Mr. Carlos Cracraft, Manager of the Research and Statistics Branch, provided a brief summary regarding the Kentucky Core Products and Services Annual Report. The Report is developed according to federal guidelines and covers a July-June fiscal year. The annual report grades the Branch on what has been done and is due by September 30. Since completion of the annual report, Branch staff have spoken to high school guidance counselors about the information that is available regarding careers, available jobs, and salaries.

A motion was made by Ms. Nancy Spivey and seconded by Mr. Don Doty to ratify the action taken by the Executive Committee to approve the 2006 State Plan. The motion was approved with no opposition.

Following approval of the motion, several issues were raised in general discussion including how the data collected by the Research and Statistics Branch fits into performance standards, what can be done to increase response rates, how available information is marketed, and the need for high school counselors to be more knowledgeable about available information and the prospects for students through career and technical education.

Mr. Cracraft responded that many issues impact data collection and its use. There may be a mismatch between skills, education, locations, and employer needs. While the Branch has begun to do some marketing, this is a weak area and more needs to be done. Mr. Burkley stated that a way needs to be found to assist with talking points.

III. Administrative Reports

Workforce Investment Act (WIA) Update:

Ms. Susan Craft, Director, Workforce and Employment Services Division, provided an update on the Workforce Investment Act (WIA), noting the following:

- Within the next few days the Senate is expected to approve Senate Bill 1021 to reauthorize the Workforce Investment Act.
- The House rejected a spending bill (H.R. 3010) that would have allowed FY 2006 labor programs to operate through December 17. It was reported that concern over too little funding for favored programs and projects led to the negative votes.
- Details of the defeated bill and its amendments, including reduction of UI state operations grants by \$125 million, reduction of adult programs by \$31 million from FY2005 levels, and WIA youth program reduction of \$36 million from the FY 2005 level provide information about likely future decisions.
- Kentucky recently received two grants (one for \$200,000; another for \$1.1 million) from the USDOL to serve Hurricane Katrina evacuees.
- U.S. Secretary of Labor Elaine Chao has announced a new initiative called the Workforce Innovation in Regional Economic Development (WIRED) that will address global economic competitiveness. WIRED will fund \$15 million to 8-10 sites where multiple partners can work to cooperate and rebuild regional economies. Grant applications are due by January 5, 2006.

Mr. Burkley asked how the KWIB can support the WIRED effort to ensure that Kentucky is effectively engaged. Ms. Sharon Bird questioned whether the January due date would make it difficult to bring others into the process. Governor Collins and Ms. Bird each suggested individuals (Dean Lester at the University of Kentucky, Kay Hoffman at the UK School of Social Work, and graduate students to help with grant writing) who might be helpful in drafting Kentucky's grant proposal. Ms. Spivey mentioned the need for more engineers.

Ms. Craft responded that the Governor's energy strategy, including both coal and power industries, may be involved as well as integrated (automobile) manufacturing. A December 7, 2005, 'webinar' may provide an avenue for involvement. Ms. Craft indicated plans to build on work already done in writing the grant. She also noted the five questions used by the Council on Postsecondary Education as a good way to evaluate workforce development efforts.

WIA Performance:

Ms. Linda Prewitt, Supervisor, Finance Section, Budget and Support Branch, Workforce and Employment Services Division, provided an overview of the WIA performance measures (pp. 55-60 of the agenda book). She noted that the measures are the same for the 2004 and 2005-2006 fiscal years but the way of calculating performance had changed somewhat. She also noted that there is a strong possibility that the 70 percent response rate for the customer satisfaction requirement may be waived. Ms. Prewitt stated that data validation is conducted by a hand check process to ensure that dollars are not lost

because of data not meeting standards. Staff plans to meet and work with local areas regarding data. She also stated that because Kentucky received more than 500 response forms, the 70 percent response rate is may not be required.

Local Workforce Investment Areas Update:

Ms. Susan Craft gave a summary of the Local Workforce Investment Areas (LWIAs) and their relationship with the state agency, noting the central office's responsibilities regarding distribution of funds, with 15 percent set aside for administration and 85 percent being distributed directly to the LWIAs. She mentioned the central office responsibility for monitoring the work of the LWIAs and the integration of local plans with the state plan. She reported that Local Workforce Board Membership is certified by the state office. However, while the state office provides guidance and training regarding USDOL initiatives, as much flexibility as possible is given to the LWIAs to allow them to address differing local needs and situations. The LWIAs are part of the Kentucky one-stop system. Ms. Craft meets with LWIA directors monthly and central office staff work with local area staffs regarding youth, Wagner Peyser, and other programs.

In response to questions and comments raised by Ms. Bird, it was noted that the monthly meetings are sponsored by the local area directors, not by the central office; therefore, the directors determine who will be invited to the meetings. Ms. Hack was asked to explore the possibility of a KWIB member attending the directors' meetings.

Base Realignment and Closure (BRAC) Update:

Ms. Hack shared comments about Base Realignment and Closure (BRAC) from Sherry Johnson, Director of the Lincoln Trail Local Workforce Investment Area. Ms. Johnson was unable to attend. The Lincoln Trail area will have the greatest impact from the Base Realignment and Closure process. The Louisville area will also be impacted by BRAC. Lincoln Trail has contracted with a vendor to develop a website to provide related information and services. Community forums have been held and the LWIB plans to continue hosting forums.

General James Shane provided additional information about the BRAC process and implications for Kentucky. He stated that the magnitude of change is tremendous but not well understood. Approximately 5,000 new jobs will come into the area which could lead to an increase of approximately \$254 million in annual income, plus another \$500 million in military construction and \$250 million in on-going projects, for a total of nearly \$1 billion for Kentucky. The process started three years ago with involvement from the Kentucky General Assembly. The state invested less than \$1 million in consultants. Kentucky hopes to receive 70 percent of reallocation funding. He noted in particular that it is very important for the state to have a presence in Washington, D.C.

Adjournment:

Following a motion by Mr. Bill Parson, seconded by Mr. Ted Richardson, the meeting was adjourned at 11:58 a.m.